



DEPARTMENT OF THE ARMY  
266th FINANCIAL MANAGEMENT CENTER (FMC)  
UNIT 23122  
APO AE 09227

AERFC

21 July 2009

MEMORANDUM FOR SEE DISTRIBUTION

SUBJECT: Advances and Collections of Advance Station Housing Allowance (ASHA) or Overseas Housing Allowance (OHA) Security Deposit (SD)

1. References.

- a. The Joint Federal Travel Regulation (JFTR) chapter 10, U10028.
- b. Department of Defense Financial Management Regulation (DODFMR) volume 5, chapter 13.

2. Purpose. The purpose of this memorandum is to establish uniform policy for the disbursement and collection of Advance Station Housing Allowance (ASHA) or Overseas Housing Allowance Security Deposits.

3. Scope. This policy applies to all Soldiers who receive their military pay support from the 266th FMC. This includes the Belgium Finance Office (BFO), Italy Finance Office (IFO), and the Financial Management Companies (FMCs) assigned to the 16<sup>th</sup> Sustainment Brigade.

4. Responsibilities.

- a. Director, 266<sup>th</sup> FMC Policy Section. Serve as approval authority for requests for exception to this policy.

- b. Director, 266<sup>th</sup> FMC Pay Center of Excellence (PCE).

- (1) Provide written implementing procedures to PCE personnel regarding the policy set forth herein and oversee daily execution of this policy.

- (2) Ensure all inprocessing Soldiers are briefed on this policy, particularly the financial consequences of failing to repay an ASHA.

- (3) Ensure all Soldiers who request an ASHA security deposit understand their obligation to repay the U.S. government any gain made due to rate of exchange (ROE) fluctuations, and that they sign the statement at enclosure 1.

- c. Director, 266<sup>th</sup> FMC Cash Management Branch. Provide written implementing procedures to Cash Management Branch personnel and Finance Customer Support Team (FCST) personnel regarding the policy set forth herein and oversee daily execution of this policy.

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d. Director, 266<sup>th</sup> FMC Internal Control (IC) section. Ensure the requirements outlined herein are added to the IC checklist and execute periodic special reviews to ensure its compliance.

5. Policy. All Soldiers entering into contracts for economy quarters who are required to make a security deposit are eligible for, but are not required to take, an ASHA. It is therefore critical that Finance inprocessing personnel educate arriving Soldiers on alternatives to taking an ASHA (personal funds, advance pay, etc.). Soldiers who decide to take the ASHA are expected to postpone payback until time they vacate their economy quarters. Debt suspension, therefore, is the standard payback policy for all ASHA advances. Finance personnel will discourage Soldiers from seeking proration of ASHA security deposits, due to the volatility of foreign currency exchange rates and the possibility of suffering personal financial loss.

6. Once economy housing is vacated, the Soldier is required to return the full amount of the security deposit (in Euro) he/she originally received, regardless of the ROE. The FCST will calculate the gain or loss using the ROE from when the Soldier was advanced and the ROE for the current date the Soldier is returning the cash. If there is a foreign currency gain the Soldier is required to return the gain along with the amount that is shown on the Soldier's MMPA. If there is a loss it will be absorbed by the government.

7. Soldiers who PCS or otherwise vacate economy quarters without returning the ASHA will have the full amount collected in lump sum, to include any gain due to the ROE.

8. Soldiers who decide to pay back their security deposit prior to PCS/clearing of economy quarters will likewise be obligated to surrender any foreign currency gain to the U.S. government. Those who return their ASHA early must do so in cash (no payroll deduction), and still calculate the gain/loss using the ROE the day the Soldier requests the early payback. As in all other cases, the U.S. government will absorb any foreign currency loss on the security deposit.

9. Personnel with a currently suspended ASHA security deposit dated prior to this memorandum will be allowed to continue the suspension. They will, however, still be subject to the requirement to pay back any foreign currency gain realized on the ASHA. This memorandum has no effect on Soldiers who are currently prorating an ASHA security deposit.

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10. Point of contact for this policy memorandum is the 266th FMC, Policy Section at DSN 483-8150/483-8236.



LUIS B. CRESPO  
COL. FC  
Director

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**Department of the Army**  
**266<sup>th</sup> Financial Management Center (FMC)**  
**Unit 23125**  
**APO AE 09227**

**STATEMENT OF UNDERSTANDING**

SUBJECT: Indebtedness to the US Government for Overseas Housing Allowance (OHA)  
Security Deposit

Soldier Name, Rank, and SSN \_\_\_\_\_

1. In accordance with the Joint Travel Regulation (JFTR) volume I, U10028 C (6), "The Service concerned absorbs any loss due to currency fluctuations when liquidating advance security deposits. **The member must pay to the Service any gains due to currency fluctuations.**"
2. By signing below I certify that I understand that I am not authorized to keep any gain resulting from money advanced to me by the U.S Government to cover my OHA security deposit. I also understand that the U.S government will absorb any foreign currency loss I experience on my suspended OHA security deposit money.
3. I understand that this advance is essentially an interest-free loan from the U.S. government which I do not have to take. I also understand that, due to daily currency fluctuations the Euro value of the dollars I am advanced may be slightly more or less on the day I receive them than what they would be today. This reality exists because it will take several days for my advance to reach the bank.
4. I understand that upon clearing quarters I must immediately return my security deposit in the local currency, Euros. I understand that if my landlord returns my security deposit in cash (Euros) I must bring all of that money to the finance office. I also understand that if the landlord wires my security deposit back to the bank, I will not withdraw Euros but rather report to the finance office to get deposit paperwork to take to the bank.
5. I understand that should I fail to return my entire security deposit the full amount will be collected immediately from my military pay.
6. I understand that I must hold on to this statement of understanding and have it with me when I out-process finance or clear economy quarters, whichever comes first.

Original OHA security deposit advance \$ \_\_\_\_\_

Today's date and exchange rate \_\_\_\_\_

\_\_\_\_\_  
Soldier's Signature \_\_\_\_\_ Date \_\_\_\_\_

Enclosure 1